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1946 OUTLOOK ISSUE

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THE Wheat SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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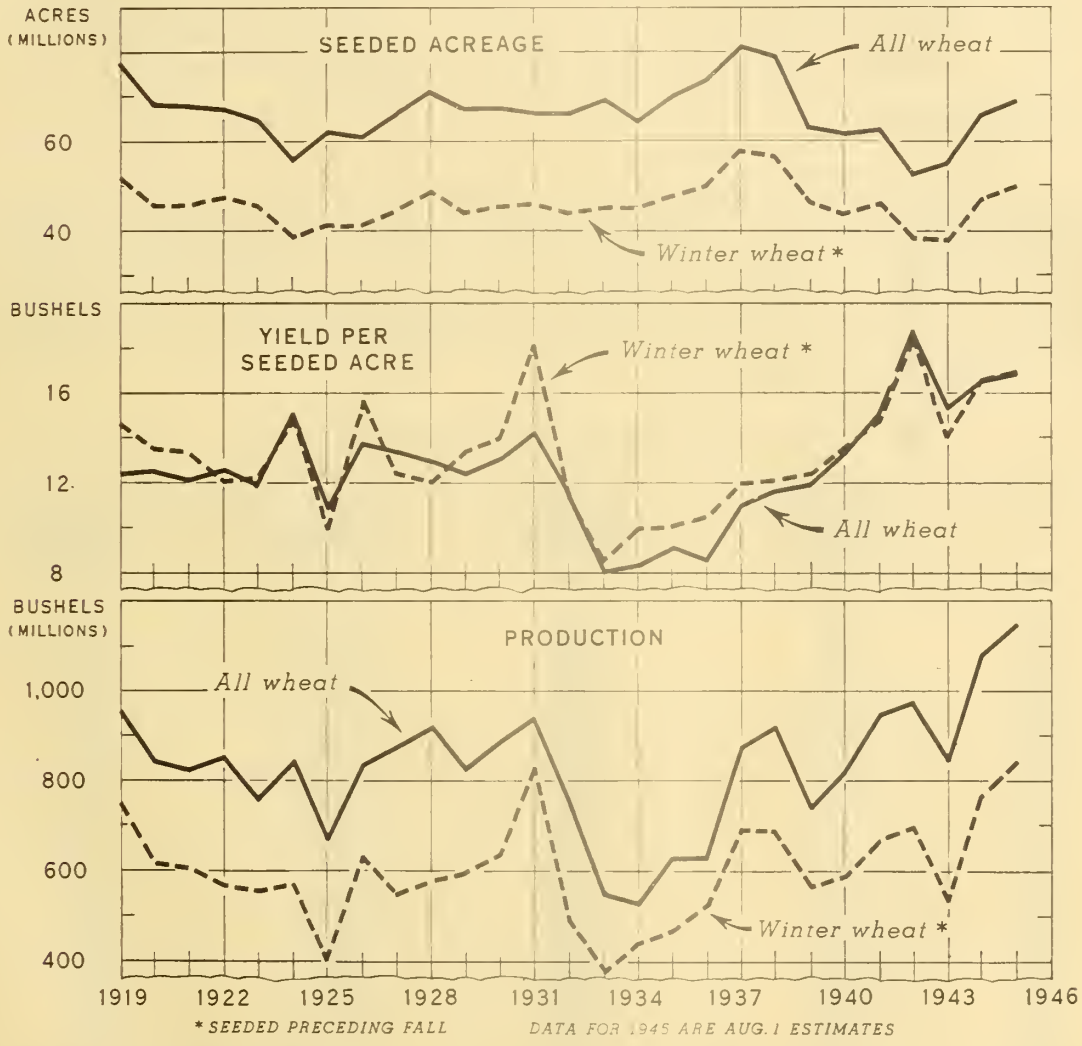
ALL WHEAT AND WINTER WHEAT: ACREAGE, YIELD, AND PRODUCTION, UNITED STATES, 1919-45



Seedings of all wheat for the 1945 crop, at 68.8 million acres, were 5 percent above 1944 and 4 percent above the 1934-43 average. With an indicated production of 1,146 million bushels, based on August 1 condition, the 1945 wheat crop tops all previous records. Because of the relative importance of winter wheat in the total crop, production changes in winter wheat and all wheat are generally very similiar. The State wheat acreage goals for 1946 total 68.9 million acres - about the same as the actual seedings in 1945.

WHEAT: ACREAGE SEEDED, BY REGIONS, UNITED STATES, 1919-45

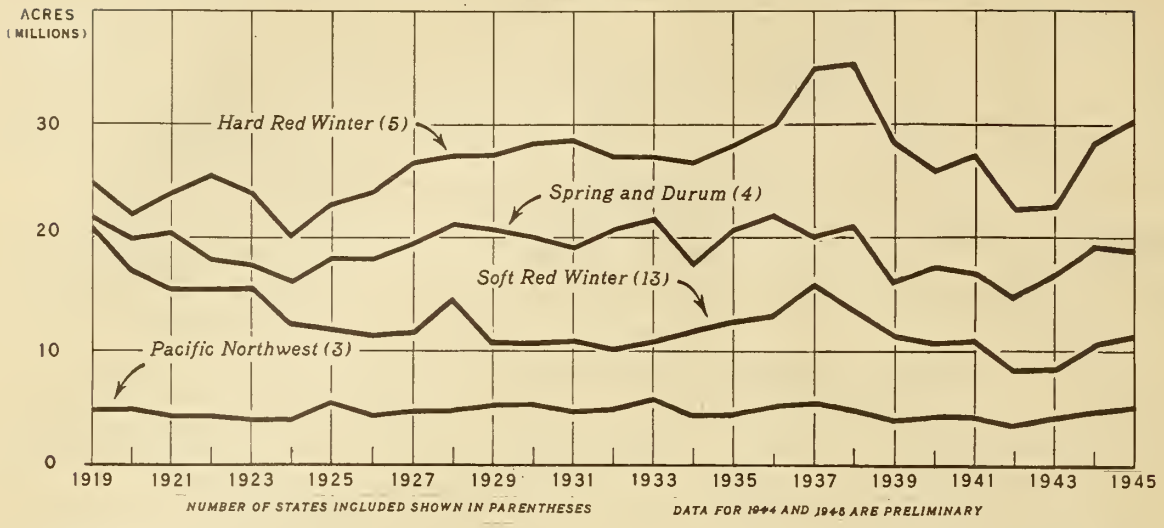


Figure 1. - Wheat acreage increases averaging about 5 percent, were general for the 1945 crop, except in tne spring wheat-durum region. In the Pacific Northwest the increase amounted to almost 10 percent, while in both the hard red winter and soft red winter regions the increase was 7 percent. In the spring wheat-durum region, the decline amounted to 1 percent. Compared with acreages in 1929-33, before adjustment programs came into operation, the hard red winter region was up 9 percent, the soft red region was up 7 percent, the Pacific Northwest was down 4 percent, and the spring wheat-durum region was down 7 percent.

Table 1.- Wheat: Acreage seeded, by regions, United States, 1919-45

Year	Hard winter wheat region 1/	Spring wheat region 2/	Soft red winter wheat region 3/	Pacific Northwest region 4/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1919	24,727	21,706	20,660	4,774
1920	22,066	19,905	17,106	4,817
1921	23,830	20,426	15,481	4,288
1922	25,478	18,065	15,404	4,268
1923	23,910	17,533	15,439	3,974
1924	20,177	16,006	12,414	3,958
1925	22,893	18,295	11,945	5,436
1926	23,935	18,056	11,264	4,256
1927	26,537	19,487	11,681	4,612
1928	27,204	21,130	14,498	4,699
1929	27,234	20,687	10,623	5,186
1930	28,327	19,959	10,609	5,361
1931	28,434	19,116	10,787	4,662
1932	27,109	20,783	10,065	4,853
1933	27,078	21,535	10,755	5,946
1934	26,615	17,718	11,745	4,293
1935	28,145	20,605	12,608	4,365
1936	29,931	21,806	13,042	5,117
1937	34,933	20,086	15,733	5,349
1938	35,356	20,904	13,620	4,805
1939	28,028	15,929	11,392	3,941
1940	25,954	17,248	10,691	4,138
1941	27,100	16,762	10,818	4,092
1942	22,482	14,737	8,449	3,470
1943	22,707	16,946	8,468	4,150
1944 5/	28,072	19,059	10,538	4,569
1945 5/	30,071	18,901	11,321	5,001

1/ Nebraska, Kansas, Oklahoma, Texas, and Colorado.
2/ Minnesota, North Dakota, South Dakota, and Montana.
3/ New York, Pennsylvania, Ohio, Indiana, Illinois, Missouri, Delaware, Maryland, Virginia, West Virginia, North Carolina, Kentucky, and Tennessee.
4/ Idaho, Washington, and Oregon.
5/ Preliminary.

THE WHEAT SITUATION
- Including Rye -

Summary of the Outlook for Wheat

Conditions in the United States are conducive to maintaining wheat acreage at around current levels for the next year or two. The stocks that had been accumulated before the war in the United States and in many foreign countries, have been reduced to moderate levels, and the export demand for wheat is sufficient to absorb most of the surpluses in the exporting countries in the current marketing year. The price of wheat in the United States is now considerably above the level prevailing in any other exporting country.

However, if a relatively large wheat acreage is maintained for several years, this country will again have the problem of disposing of very large stocks. With normal crop conditions and the recovery of production in importing countries and in other exporting countries, the export requirements from the United States in a few years will be greatly reduced. In fact, if production in the United States, is maintained while prices are supported at 90 percent of parity, this country may begin to build up surplus stocks in 1947, unless in the meantime, crops are short in Canada or some other important producing countries.

The Agricultural Adjustment Act of 1938 as amended provides price-support loans to cooperating farmers at 90 percent of parity on wheat harvested before the expiration of the 2-year period beginning the first of January following the official proclamation that hostilities have ceased. While prices would likely be below the levels since 1943, they would be above prices in any of the 18 years between 1925 and 1943.

Under present conditions, farmers undoubtedly will seed a wheat acreage at least equal to that seeded for the 1945 crop. The goals established by State committees add up to 68.9 million acres for the country as a whole,

which is practically the same as was seeded for the 1945 crop. With average yields, this acreage would produce a crop of about 900 million bushels. This, with stocks on July 1, 1946 of about 300 million bushels would provide for requirements and leave about 400 million bushels for export in 1946-47 and carry-over at the end of the 1946-47 year. If Canada, and the Southern Hemisphere contries have good crops, exports from the United States probably would not exceed 100 million bushels, which would leave a carry-over of about 300 million bushels on July 1, 1947. A larger crop, of course, would add to the size of the carry-over.

Summary of the Current Wheat Situation

The wheat supply for the 1945-46 year is now indicated to be about 1,440 million bushels -- exceeded only by supplies in 1942 and 1943. The carry-over of old wheat on July 1 was 281 million bushels, and the new crop was indicated, on the basis of August 1 condition, at 1,146 million bushels. Imports are likely to be small, perhaps only about 15 million bushels.

Disappearance in 1945-46 for civilian and military food is estimated at 530 million bushels, seed at 82 million, alcohol about 50 million, feed on farms where grown 120 million, and 360 million for exports and purchased feed. This would leave a carry-over July 1, 1946 of about 300 million bushels. Wheat and flour are urgently needed in liberated areas because of reduced crops and the limited availability of many other foods. The location of supplies will determine to some extent whether wheat will be exported or used for other purposes such as animal feed.

The seasonal decline in wheat prices for the winter crop may now be about complete, but some further decline in spring wheat prices may occur as the movement to market continues heavy. Large purchases for foreign relief will continue to support wheat prices at high levels. Contributing also to

market strength was the announcement by the Department of Agriculture of a program that offers farmers the full parity price for 1945-crop loan wheat. Farmers putting wheat under Commodity Credit Corporation loan will have the option of selling the wheat next spring to the Production and Marketing Administration at 15 cents a bushel above the applicable loan value, less charges.

Prospects continue for the 1945 world wheat production, excluding that of the U.S.S.R. and China, to be about 7 percent less than in 1944 and about 6 percent below the 1935-39 prewar average. Probable decreases in Canada, Europe, and North Africa more than offset likely increases in the United States. India and in the Southern Hemisphere.

SUMMARY OF THE RYE SITUATION AND OUTLOOK

Rye supplies in 1945-46 are now indicated at about 43 million bushels, consisting of a carry-over July 1, 1945 of 12.8 million bushels, a crop indicated at 27.9 million and imports of perhaps 2 million. Disappearance is expected to considerably exceed production, and a reduced carry-over is expected by July 1, 1946.

In August, rye prices reached the highest level since March 1924, and were only slightly below parity. Since that time prices have declined seasonally, reflecting the heavy new crop movement. After this movement is over, prices will again advance as a result of the good demand for limited supplies.

State rye goals for 1946 total 2.6 million acres. Assuming yields of 12.2 bushels per acre, this would produce a crop of 31.4 million bushels. Additional rye production could be readily used, but it is not likely that acreage could be expanded to obtain significant additional supplies. Acreage has been declining in the important commercial rye producing States since wheat restrictions were removed. The only likely increases are in other States, where they would be largely absorbed for livestock feed.

THE OUTLOOK FOR WHEAT

BACKGROUND.- The acreage seeded to wheat for the 1945 crop, at 68.8 million acres, was 5 percent above the 1944 acreage, and 4 percent below the 1934-43 average of 66.2 million acres (table 4). The increased demand for wheat, and the resulting prospective elimination of the wheat surplus in this and other countries, makes it desirable to continue the relatively large acreage for another year.

The acreage adjustment program designed to limit acreage was in effect until the spring of 1943. Even though stocks were at near record levels, in February 1943 acreage and marketing restrictions were removed because of the prospective greatly increased demand for wheat for feed and industrial purposes. The seedings for the 1943 crop had amounted to only about 54 million acres. The goal for 1944 was set at 67 million acres, but unfavorable conditions at the time of seeding winter wheat probably prevented some intended fall seedings, and the total reached only 65.7 million acres. The goal announced for 1945 was 67.7 million acres.

Goal for 1946 Set at 68.9 Million Acres

State wheat acreage goals for 1946, totaling 68.9 million acres for the country as a whole, were announced by the Secretary of Agriculture on August 14. 1/ The sum of wheat goals recommended by State goals committees compares with indicated plantings of 68.8 million acres for harvest in 1945, and is within the national goal of 67 to 70 million acres recommended to the States on June 29. Attainment of this goal would continue the high wartime production of wheat.

Assuming the 1935-44 average yield of 13 bushels per acre, 68.9 million acres would produce a crop of about 700 million bushels. If stocks on July 1, 1946 turn out to be about 300 million bushels, total supplies would amount to 1.2 billion bushels. At the time of determining the goal for 1946 domestic disappearance was estimated at about 800 million bushels. A domestic disappearance of this size would leave about 400 million bushels for export in 1946-47 and for carry-over at the end of the 1946-47 year. If Canada and the Southern Hemisphere countries have good crops, exports from the United States probably would not exceed 100 million bushels, which would leave a carry-over at the end of the year at about 300 million bushels on July 1, 1947. A larger crop, of course, would add to the size of the carry-over.

Large quantities of wheat were used for animal feed to supplement feed grain supplies and in industrial alcohol. As a result, the record carry-overs of 632 and 622 million bushels in 1942 and 1943 were reduced. There is no burdensome surplus at the beginning of the post-war period. Moreover, as a result of increased domestic disappearance in the other exporting countries during the war, small 1944 crops in Australia and Argentina, and heavy total exports in 1945-46, surpluses in the other exporting countries will be eliminated for the time being.

1/ The State wheat goals were established by State committees, including representatives of the Production and Marketing Administration, the Extension Service, State agricultural college, other Government agencies, and farm organizations.

Act of 1938 as Amended Provides For Price Support Loans

The Agricultural Adjustment Act of 1938 as amended by the Stabilization Act approved October 2, 1942, provides price-support loans to cooperating farmers at 90 percent of parity on wheat harvested before the expiration of the 2-year period beginning the first of January following the official proclamation that hostilities have ceased (provided that producers have not disapproved of marketing quotas). If the index of prices paid by growers, including interest and taxes, at the time the loan is announced in June 1946 should fall between 165 and 170 (in July 1945 it was 173), the average loan to growers would be between $1.30 and $1.35 2/ This loan rate compares with $1.38 announced for the 1945 crop, and is above prices in any of the 18 years between 1925 and 1943 (table 6). Before the increased demand, resulting from the war, raised prices above the price supporting influence of the loan programs, prices fell below the loan levels following harvest, but advanced to above that level as the marketing season advanced. The price supporting influence of the loan programs for the 1938 to 1942 crops is indicated in figure 3. Since 1943, the extra demand for wheat resulting from the war has become an important price factor.

Large Exportable Surpluses Have Disappeared; Their Likely Reappearance Presents Problem

International trade prospects will depend on many things, among which are adjustments in trade restrictions and general trade policy among the importing nations. In the 1920's before European countries drastically restricted their wheat and flour imports, world trade and United States exports were very much larger than in the 1930's. Our share of total exports will depend largely on whether we meet competitive prices in the other countries. If we continue to support prices of the entire wheat crop exports will be very limited, unless there is a subsidy. If a high level of production is maintained and no subsidy program exists, it will be necessary to permit our price of wheat for export to drop to the level at which it will compete with wheat from other exporting countries. The latter course is frequently considered a part of a two-price system, which would provide for additional payments to growers for the part of production used as domestic food.

The level of prices for export wheat in the various surplus producing countries, which would have to be met by the United States in the years ahead, will depend upon the level of demand and whether production or marketing is curtailed in the various exporting countries. A decline in the large demand from deficit countries is to be expected within a year or so. This will mean lower competitive export prices. The extent to which efforts to reduce production or marketings are effective will largely determine the extent of the price decline. If efforts to curtail production or marketings are not effective, and acreages in the various exporting countries approximate anything like the prewar acreages, with average yields, production would exceed annual use and large carry-over stocks would again accumulate.

2/ Price in base period (July 1909-June 1914) of 88.4 cents times index of 165 times 90 percent equals $1.31; 88.4 times 170 times 90 equals $1.35.

Our share of the total exports also depends upon the distribution of surplus supplies. Now, as following the last war, exports by the United States are large. Then, as now, we had large supplies of wheat, and supplies in other countries were relatively small. In 1920-21 net exports of wheat and flour by the United States totaled 313 million bushels; 3 years later in 1923 they were down to 132 million, and in each of the two years of large exports, 1937-38 and 1938-39, they were only about 105 million bushels. In contrast, in 1920-21 exports of wheat and flour from Canada totaled 200 million bushels, 3 years later they were up to 344 million, and in 1939-40 amd 1940-41 about 210 million bushels. In 1945-46 United States exports will be very large, but after the extraordinary demand following the war is satisfied, and supplies in other countries have had time to increase, our exports may be expected to average well under 100 million bushels.

Domestic Wheat Prices are Well Above Competitive Export Levels

As of August 31, the price of No. 1 Heavy Dark Northern Spring Wheat, 13 percent protein, at Duluth was $1.64, or 27-5/8 cents above the $1.36-3/8 for No. 3 Canadian Northern Spring Wheat at Fort William. These two types of wheat are fairly comparable and have the same freight rate into Buffalo. Accordingly, it is assumed that United States prices are about 27-5/8 cents above prices in Canada, quality considered. With export prices of United States wheat at the same level as prices of Canadian wheat of comparable quality, the domestic price of U. S. wheat is about 27-5/8 cents above the export price of U. S. wheat. 3/ At the present time, domestic prices for United States wheat are about 11 cents under the price ceilings, which approximate parity. Accordingly, if domestic prices rose to parity and export prices remained unchanged, the difference between domestic prices and export prices would be about 39 cents. Actually, prices for the year will average below the ceiling. On the other hand, if competitive conditions existed now and in the absence of prevailing heavy export demand, the price of the bulk of our exports would be below Canadian prices, or in other words below our own current export price. This would tend to maintain the spread between domestic prices and export prices for United States wheat at about 39 cents.

From the foregoing it may be reasonably assumed that if free export market conditions existed (assuming the general export price level not significantly affected by the price-support and export subsidy programs in the United States) that we would probably have to pay a subsidy of between 35 and 40 cents, or if we permitted our prices for export to drop, they would decline by about this amount. An accurate determination is not intended here; rather a broad indication which can be used in considering any changes in a wheat program. The determination of the spread for any future year would depend upon a number of factors, including an assumption relative to the support given our domestic prices, and an assumption of the general level of competitive export prices.

3/ The total subsidy to be paid in early September amounts to about 27-5/8 cents. The payment by the RFC will be 19 1/2 cents outside of the Pacific Coast area, and the payment by the CCC on exports is 18 cents per cwt. of flour, which is equivalent to 8 cents per bushel of wheat. The cost of the RFC program is indicated on page 11. For the year ended July 30, 1945 the cost of the export subsidy programs of the CCC totaled about 3 million dollars.

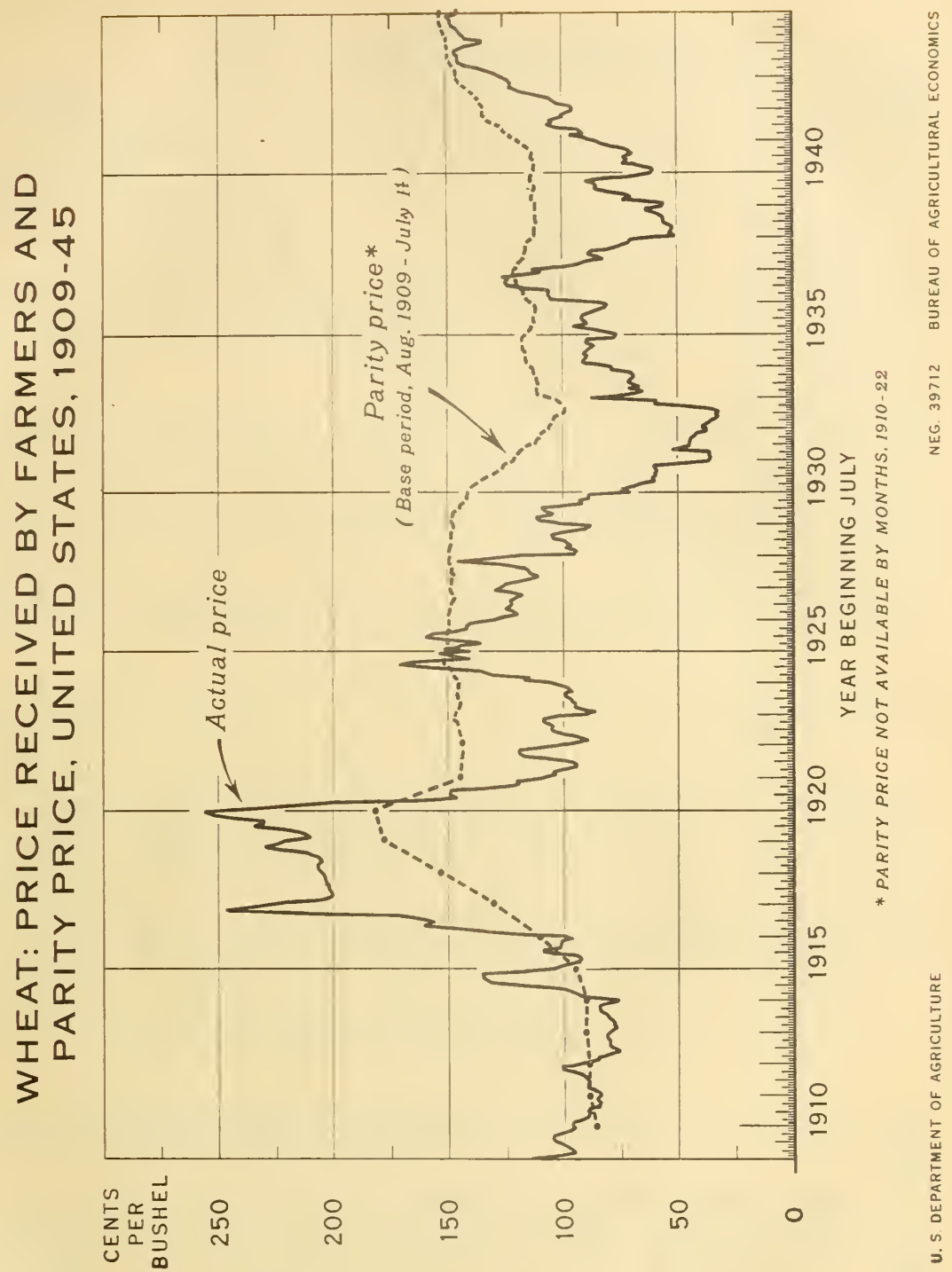


Figure 2. - Since 1919, prices received by farmers for wheat have risen above the parity price level in 1924-25, 1925-26, and in 1936-37. In 1924, foreign demand for United States wheat was increased as a result of a very small crop in Canada. In 1925, the crop in the United States was small, and in 1936, United States supplies were greatly reduced following 4 years of drought. In World War I world supplies were small compared with demand, and prices in the United States rose considerably above parity; in World War II world supplies were very large. The price in mid-August 1945, at $1.45 per bushel, was 95 percent of parity.

WHEAT, NO. 2 HARD WINTER: CASH PRICE, LOAN VALUE, AND CEILING AT KANSAS CITY, 1937-45

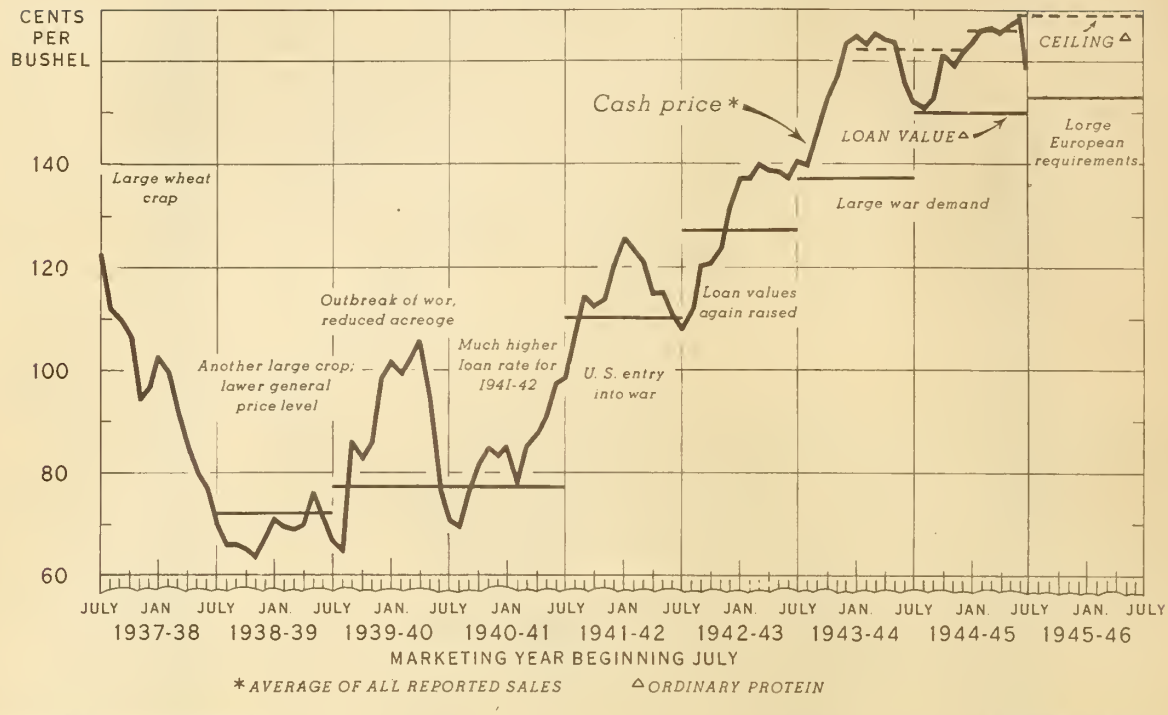

CENTS PER BUSHEL
140
120
100
80
60
CEILING △
Cash price *
LOAN VALUE △
Large European requirements
Large wheat crop
Large war demand
Outbreak of wor, reduced acreoge
Another large crop; lawer general price level
Much higher loan rate for 1941-42
U. S. entry into war
Loan values again raised
JULY JAN. JULY JAN. JULY JAN. JULY JAN. JULY JAN. JULY JAN. JULY JAN. JULY JAN. JULY JAN. JULY
1937-38 1938-39 1939-40 1940-41 1941-42 1942-43 1943-44 1944-45 1945-46
MARKETING YEAR BEGINNING JULY
* AVERAGE OF ALL REPORTED SALES
△ ORDINARY PROTEIN

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Figure 3. - There has been a general advance in wheat prices since 1938. In each marketing year from 1938 through 1942, the price started below the loan level and advanced substantially by spring. Largely as a result of the very large non-food demand, the price in 1943-44 started above the loan and by December advanced to about parity, at which level the ceiling was established. Prices in the current season are supported by a very large export demand. In the chart the cash price rises above the ceiling level because the cash price used includes the payment of premiums for above average protein. Although the ceiling price permits payment of these premiums, they are not reflected in the ceiling shown in the chart.

Table 2.- Wheat, No. 2 Hard Winter: Price, loan value, and ceiling at Kansas City, 1937-45

Year beginning July	Weighted cash price of No. 2 Hard Winter Wheat at Kansas City 1/												Loan value at Kansas City 2/
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1937	122.5	111.8	109.5	106.0	94.2	96.5	102.7	99.6	91.5	84.6	79.7	76.7	---
1938	70.0	65.5	65.7	64.7	63.3	66.9	70.9	69.2	68.7	69.6	75.7	70.9	72
1939	66.7	64.6	85.9	82.7	85.5	98.3	101.2	99.4	102.1	105.7	94.7	76.3	77
1940	70.7	69.3	75.8	81.6	84.5	83.0	84.7	77.8	85.1	87.2	90.4	97.3	77
1941	98.3	106.6	114.1	112.2	113.4	120.1	125.6	123.1	121.0	114.6	114.9	110.9	110
1942	107.9	111.2	120.3	120.5	123.1	130.5	136.8	137.0	139.9	138.4	138.1	137.0	127
1943	140.1	139.8	145.8	152.3	156.4	162.8	164.8	163.0	165.2	164.0	163.2	155.6	137
1944	152.1	150.8	153.0	161.3	159.1	162.0	163.6	165.8	166.3	165.7	166.7	168.2	150
1945	158.3												153

1/ Computed by weighting selling price by number of carlots sold as reported in the Kansas City Grain Market Review. In this price, wheat of above as well as below 13 percent protein is included.
2/ Loan rate is for wheat of less than 13 percent. Ceiling became effective January 4, 1944 at $1.62 including 1-1/2 cents commission, basis protein of less than 13 percent. On December 13, 1944 it was raised to $1.66, and on May 30, 1945 to $1.691.

Milling Subsidy Supports Farm Prices and Holds Down Bread and Flour Prices

In order to permit the price of wheat to growers to reach parity and at the same time not raise the price of bread, flour and other bakery products, millers have been given a differential payment by the RFC since November 1943. The rate of these payments approximates the difference between the actual cost of the wheat to millers and the cost if prices are related to retail price ceilings. The RFC payment announced for the month of September is 19-1/2 cents a bushel on all wheat ground outside of the Pacific Coast area, except wheat originating in the latter area. The payment on wheat ground in the Pacific Coast area and all wheat originating in the area ground outside the area was 24⅓ cents a bushel. The aggregate paid out in the 1944 calendar year by the RFC totaled 86 million dollars. For the year ending June 30, 1946, 190 million dollars has been made available.

The payments for the current fiscal year may average about 27 cents for wheat originating and ground outside of the Pacific Coast area. Without these payments, price of wheat to growers would reflect only about 80 percent of parity, assuming present bread and flour ceilings. If the subsidy were abandoned the cost of flour to the baker would increase less than one-half cents per pound loaf of bread, and the grocer's cost of family flour would increase about 7 cents on a 10-pound sack.

THE CURRENT DOMESTIC WHEAT SITUATION

BACKGROUND.-In the 10-year (1932-41) prewar period, the supply and distribution of wheat in continental United States averaged as follows, in million bushels: total supply 982, consisting of carry-over of old wheat 235, production 738, and imports 9; total disappearance averaged 721, consisting of food 475, feed 122, seed 81, and exports and shipments 43. The carry-over at the end of the period averaged 261 million bushels.

Wheat prices have generally advanced since 1938. The weighted average price to growers in each year from 1939-40 to 1943-44 were as follows, in cents per bushel: 69, 68, 94-1/2, 110, and 136. Up to 1943-44; the loan program was the most important factor in domestic wheat prices. In 1943-44, the extra demand for wheat resulting from the war became an important price factor.

Wheat supplies in 1945-46 now indicated at 1,440 Million Bushels; Exports Up Sharply

The wheat supply for 1945-46 is now indicated to be about 1,440 million bushels. This is considerably above the 982-million prewar 1932-41 average, and is exceeded only by supplies in 1942 and 1943. The carry-over of old wheat on July 1 was 281 million bushels, and the new crop was indicated at 1,146 million bushels on the basis of August 1 condition. Imports are likely to be small, perhaps only about 15 million bushels which would be for annual feed.

Disappearance in 1945-46 for civilian and military food is estimated at 530 million bushels, seed at 82 million, alcohol about 50 million, feed on farms where grown 120 million, and 360 million for exports and purchased feed. This would leave a carry-over July 1, 1946 of about 300 million bushels. Wheat and flour are urgently needed in liberated areas because of reduced crops and the limited availability of many other foods. The location of supplies will determine to some extent whether wheat will be exported or used for other purposes such as animal feed. Exports from the United States in September are expected to exceed 35 million bushels, but this rate can not be maintained.

Supply and distribution figures for 1930-43 were included in the May-June issue of The Wheat Situation as table 3, and were shown as a chart on the cover page of the July issue. As now revised, but with several items still partly estimated for 1944-45, the figures for the last two years to bring the table up to date, in million bushels, are as follows: For 1943-44, the disappearance for food was 543.1, feed 486.8, seed 77.5, industrial use 109.3, total domestic 1,216.6, total exports 65.4, and ending stocks 316.7. For 1944-45 the supply and distribution was: July 1 stocks 316.7, crop 1,078.6, imports 42.1, making total supplies 1,437.4; food was 550, feed 300, seed 81, industrial use 85, total exports 140, and year-end stocks 281.

Winter wheat crop largest on record
and spring crop fifth largest

Of the total indicated wheat crop as of August 1--1,146 million bushels--winter wheat made up 837 million bushels (table 4), and spring wheat 309 million. The winter wheat crop is the largest ever produced in the United States, and about 3 million above the indication in July. It is about one-tenth more than the 764 million bushels produced last year, and considerably above production in most other years. In 1931, 825 million bushels were harvested. The 46.4 million acres for harvest is 14 percent more than last year, and the yield of 18.0 bushels per acre is 2.7 bushels above the 1934-43 average, although nearly a bushel lower than last year. The indicated production of all spring wheat is only about 1.5 percent below the 315 million bushels produced in 1944, but 52 percent above the 10-year average. A spring wheat crop of the size indicated would be the fifth largest on record. The August indication is approximately 15 million bushels above that of a month earlier. The indicated production of durum is 32 million bushels, and of other spring wheat 277 million.

Production by classes for 1945, as well as production and distribution by classes for recent years, is shown in table 5. Supplies of all classes of wheat are ample in 1945-46, with the possible exception of durum, the carry-over of which was the smallest since 1938.

Prices of Winter Wheat Probably at About Low for Season;
Spring Wheat Prices Off with Heavy Movement

The seasonal decline in wheat prices for the winter crop may now be about complete, but some further decline in spring wheat prices may occur as the movement to market continues heavy. On August 31 the price of hard winter wheat at Kansas City was unchanged and the price of red winter at St. Louis was about one cent lower, compared with a month earlier, but the price of ordinary protein hard spring wheat at Minneapolis was about 12 cents lower, with the current movement very heavy.

On August 31 the prices of high protein wheats at Kansas City were at near ceiling levels, but the prices of average proteins at the same market as well as at Minneapolis, and Red at St. Louis were 10 to 12 cents below ceilings, including 1 1/2 cents commission. The price of soft white at Portland was 18 cents below the ceiling.

Exceptionally large purchases for foreign relief will continue to support wheat prices at high levels. Contributing also to market strength was the announcement by the Production and Marketing Administration of the Department of Agriculture of a program that offers farmers the full parity price for 1945-crop loan wheat. Farmers putting wheat under Commodity Credit Corporation loan will have the option of selling the wheat next spring to the PMA at 15 cents a bushel above the applicable loan value, less charges 4/. The purchase program is applicable to both farm-stored and warehouse-stored wheat. The 1945 average loan rate for the nation was announced earlier in the season at $1.38 a bushel 5/, or 90 percent of the July 1 parity of $1.53 a bushel.

WHEAT USED IN ALCOHOL AND FERMENTED MALT LIQUOR PRODUCTION IN THE YEAR ENDED JUNE 30, 1945

It is estimated that the total quantity of wheat used in the production of alcohol for the year ended June 30, 1945 was about 84 million bushels. This estimate is based on figures for 11 months. Separate figures on the quantity used for producing neutral spirits used in blended whiskeys are not available, but this is estimated to have been less than 10 million bushels. The rest of the production was ethyl alcohol used for industrial purposes, including the production of smokeless powder, aeroplane lacquers, pharamaceuticals, and as solvents for chemicals. In 1943-44 the total quantity of wheat used for alcohol was 109 million bushels, in 1942-43 it was 57 million, and in 1941-42 less than 2 million. Previous to 1941-42 the quantity used annually was negligible. Ordinarily, industrial alcohol is made largely from molasses.

4/ All unredeemed farm-stored loan wheat on April 1 next, which is delivered to PMA by the producer in accordance with the instructions, will be purchased by PMA. The purchase price will be the applicable loan value for the wheat delivered, plus 15 cents per bushel, but not more than the ceiling price. The producer will be paid the difference between (1) the purchase price and (2) the unpaid amount of the note plus interest to the date of delivery to PMA. No storage payment will be made by PMA on farm-stored loan wheat that is purchased. All unredeemed warehouse-stored loan wheat in the Southwest will be purchased as of April 1, 1946, and in other areas as of May 1, 1946. The purchase price will be the applicable loan value for the wheat represented by the warehouse receipts, plus 15 cents per bushel, but not more than the ceiling price. The producer will be paid the difference between (1) the purchase price and (2) the unpaid amount of the note plus interest through the date of purchase and including the amount of accrued unpaid warehouse charges through the storage year under the Uniform Grain Storage Agreement.

5/ The national average loan compared with previous years and the values at selected markets for 1945 are given in the May-June issue of The Wheat Situation, pages 7-8.

Because of the greatly enlarged requirements caused by the war, the industry had to use grains in addition to other materials. Moreover, the industry generally was prohibited from making neutral spirits except in the specified industrial alcohol holidays, announced for August 1944 and January 1945. With the termination of hostilities, the need for industrial alcohol should be greatly reduced. On August 24 distillers were restricted to 3 million bushels of grain other than corn and grain sorghum for the production of beverage spirits during each of the months September through December.

Substantial quantities of animal feed are produced as the byproduct of the industry. Somewhat more than half of the alcohol production from wheat is processed from granulated flour. In the process, about 30 percent of the original wheat is saved for animal feed. Substantial quantities of byproducts for such use are also recovered from plants using whole-grain wheat. In addition to wheat used in alcohol production, about 800 thousand bushels were used for fermented malt liquors in 1944-45.

Of the total wheat disappearance in 1944-45--1,156 million bushels--the quantity used for alcohol and fermented malt liquors amounted to 7 percent. The relative importance of the other uses were: Food 48 percent, animal feed 26 percent, exports 12 percent and seed 7 percent.

THE CURRENT WORLD WHEAT SITUATION

BACKGROUND.- Large world crops and restricted trade resulted in the largest world wheat supplies on record in the period 1938-43. The blockade and other war conditions reduced world exports of wheat and flour to 465 million bushels in 1940-41, to about 410 million in 1941-42, about 365 million in 1942-43, and approximately 500 million in 1943-44, compared with 650 million in 1938-39 and 625 million in 1939-40.

With reduced exports, surpluses increased. On July 1, 1943, stocks in the four principal overseas exporting countries totaled 1,740 million bushels--three times the 572-million average in the 1927-36 period. Net exports, including shipments, from the United States in 1940-41 were 34 million bushels; in 1941-42, they were 28 million; and in 1942-43, they were 33 million, compared with 109 million in 1938-39 and 45 million in 1939-40. In 1943-44, the need for additional wheat for feed resulted in net imports of 71 million bushels.

World Wheat Production Prospects About 7 Percent Below Last Year; Heavy Exports Reducing Supplies in Exporting Countries

Prospects continue for the 1945 world wheat production, excluding that of the U.S.S.R. and China, to be about 7 percent below the production in 1944 and about 6 percent below the 1935-39 prewar average. Probable decreases in Canada, Europe and North Africa more than offset likely increases in the United States, India and in Southern Hemisphere countries (table 3).

Present conditions in Canada indicate a crop of about 335 million bushels, which would be below the 10-year (1934-43) average of 353 million bushels, and considerably below the 436 million bushels produced in 1944. The total acreage is placed at 23,284 thousand acres, which is virtually the same as the acreage in 1944 but about 4 percent below the 10-year (1934-43) average. Harvesting is now general in all Provinces. Yields vary widely, but prospects are fair to good except in Western Saskatchewan and Eastern Alberta.

Production on the Continent of Europe, excluding the Soviet Union, is estimated to be below any other recent year and much below average (table 3). As reported last month, the best crop prospects are in Northern Europe, with the least favorable outturns in the Mediterranean area and the Balkans. Drought took a heavy toll in French North Africa, in Portugal, Spain, central and southern Italy, and parts of the Balkans. Reduced seedings in France, Netherlands, central and eastern Europe, along with lack of fertilizers, has resulted in the smallest crop experienced in these areas in many years. Production in the Danube Basin countries, which usually has a surplus, is reported as barely sufficient for domestic requirements, and supplies in some areas, especially Yugoslavia and Hungary, are reported as inadequate. Denmark, Sweden and Switzerland are the principal countries on the Continent with about normal crop conditions. The crop in the United Kingdom is better than the prewar average, but is below last year. The official yield of 35.3 bushels compares with 36.2 bushels a year ago, and suggests a crop of about 80 million bushels. The Soviet Union is the only important country with reported grain seedings much above 1944.

In India the crop is now officially estimated at 392 million bushels, about 8 percent above the final estimate for 1944. Rains in August improved conditions in Argentina, and prospects are now generally good except in the extreme north, where rains came too late to permit seeding up to intentions. Movement of grain to ports has been restricted by a shortage of cars, and offerings for export have been temporarily withdrawn. Conditions in Australia have continued to improve and moisture supplies are now sufficient for present needs. Reports indicate that the acreage seeded may be substantially above the goal.

Table 3.- Wheat production in specified countries, average 1935-39, annual 1941-45 1/

Country	1935-39	1941	1942	1943	1944	1945
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Northern Hemisphere						
United States	759	943	974	841	1,079	1,146
Canada	312	315	557	284	436	335
Mexico	14	16	18	13	15	14
Total 3 countries	1,085	1,274	1,549	1,138	1,530	1,495
Europe (30)	1,631	1,425	1,360	1,500	1,465	1,100
North Africa (4)	119	134	111	109	85	68
Asia (5) 2/	529	522	498	583	500	501
Total 39 countries	2,279	2,081	1,969	2,192	2,050	1,669
Total 42 countries	3,364	3,355	3,518	3,330	3,580	3,164
Southern Hemisphere						
Argentina	222	238	235	250	150	225
Australia	170	167	156	110	53	135
Union of South Africa	16	14	20	18	14	15
Total 3 countries	408	419	411	378	217	375
Total 45 countries 3/	3,772	3,774	3,929	3,708	3,797	3,539

1/ Data are, in many instances, unofficial forecasts and should be interpreted as indications only.
2/ Includes India, Turkey, Syria, Lebanon, and Palestine.
3/ Represents about 95 percent of total world production excluding the U.S.S.R. and China.

Wheat stocks in the 4 major exporting countries--Canada, Argentina, Australia, and the United States--on July 1, 1945 were about 825 million bushels. This represents a substantial reduction from the record of 1,740 million bushels in 1943, and from the 1,168 million bushels in 1944 (table 12). The reduction reflects disappearances stepped up by wartime feed and industrial alcohol requirements, especially in Canada and the United States, use of some wheat for fuel along with loss from deterioration in Argentina, and very heavy exports in recent months. The last crop in Australia was very small, estimated at only about 53 million bushels, which together with the carry-over is barely enough to meet domestic requirements, including increased feed demands until the new harvest in November and December.

THE RYE SITUATION AND OUTLOOK

BACKGROUND.- The harvested rye acreage in 1945 of 2,096 thousand acres was the smallest since the turn of the century, with the exception of 1907 and 1934 (figure 4, table 13). Yields varied considerably beginning in World War I with expansion in the Great Plains. In 1935-44 yields averaged 12.2 bushels--9 percent below the 13.4 bushels in the 1905-14 period. In contrast to 1918-22 when exports were very large, imports in 9 out of the past 12 years have exceeded exports. Production in 1945 was the smallest since the drought year, 1936, with the exception of 1944. Rye prices advanced in 1943 and 1944, as a result of small crops. The price for 1944-45 was the highest since 1920.

1945 Rye Crop Indication Up Slightly; Disappearance to Exceed Production and Reduce Carry-over July 1, 1946

On the basis of August 1 condition, the rye crop was indicated at 27.9 million bushels--slightly above the 27.3 million indicated a month earlier. This year's crop, although about 8 percent larger than the crop of 25.9 million bushels in 1944, is only about two-thirds of the 10-year average production. With the exception of last year it is the smallest crop since the drought year, 1936.

With rye stocks on July 1, 1945 at 12.8 million bushels and likely imports of perhaps 2 million, supplies would total about 43 million bushels, which is considerably below the 85.9 million bushels in 1943, when beginning stocks reached an all-time record peak of 47.1 million bushels. The reduction in stocks was brought about by increased use of rye for industrial alcohol and for increased use as feed in the past two years.

Disappearance of rye in 1945-46 will considerably exceed production, and further reduce the carry-over by July 1, 1946. The disappearance for food is expected to be 8.3 million bushels, seed 7.0 million, and for feed, alcohol and export 21 to 22 million bushels. Food consumption for 1945-46 compares with 7.8 and 7.9 million bushels in 1939 and 1940. The quantity of rye for feed will be unusually small, considering that most of this is fed on farms where grown. However, high prices for rye should make selling of the grain attractive and reduce the quantity used for animal feed. In the first half of 1945, less than 2 million bushels of rye were used for alcohol and distilled spirits; in the preceding half year the quantity used was large because of shortage of other grains. If the quantity of rye used for this purpose in 1945-46 is very significant, some of the other uses will be correspondingly limited, because it is not likely that stocks at the end of the marketing year will fall below about 6-7 million bushels. The disappearance in 1944-45 was as follows, in million bushels: Food 9.1, feed 19.5, seed 6.2, alcohol and distilled spirits 10.2, and exports 3.2.

Figures on rye supply and distribution, 1939-44, were included in the July issue of The Wheat Situation, page 12. Acreage, yield, production, foreign trade and price, 1900 to 1945, are shown in figure 4 and table 13 of this issue.6/

Rye Prices Seasonally Lower

The average price received by farmers for rye in mid-August was $1.24 per bushel7/--the highest since March 1924, and only slightly below the parity of $1.25. On August 31, the price of No. 2 Rye at Minneapolis was $1.39, off about 9 cents from a month earlier, reflecting the new crop movement. After the heavy movement is over, prices will again advance as a result of the good demand for limited supplies.

Rye Goal for 1946 Set at 2.6 Million Acres; Active Demand to Continue in 1946-47

State rye goals totaling 2,572,000 acres for harvest as grain in 1946 were announced by the Secretary of Agriculture on July 24. The sum of the State-recommended rye goals compares with indicated seedings of 2,096,000 acres for harvest in 1945. Assuming average yields in 1935-44 of 12.2 bushels per harvested acre, this acreage would produce a crop of 31.4 million bushels.

Additional rye production could be readily used, but it is not likely that acreage will be expanded to obtain significant additional commercial supplies. Any appreciable increase in rye production that would not be absorbed for feed locally would have to come in the Great Plains States--Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Kansas and Oklahoma. In these States, rye acreage has been declining since wheat restrictions were removed. In 1942 these States harvested 72 percent of the United States total rye acreage and in 1945 only 59 percent. The opportunities for increasing rye acreage appears more likely in some unusual places, such as in the eastern Corn Belt, the Southwest, and some of the southeastern and south Atlantic States. In these locations, additional rye acreage would not result in any significant additions to commercial rye supply, because it would be largely absorbed for livestock feed.

Ceiling Prices Set for 1946 Rye Crop

Ceiling prices on the 1946 rye crop were announced July 26 by OPA. North Central States will have a price structure based on "freight-off" specific terminal base point prices and others will have flat base prices for each county not included in area "A" for each point within the county. The base prices per bushel, bulk for carload quantities of No. 2 rye, dockage free on track at the following terminal base points in the North Central States are as follows: Minneapolis and Duluth $1.37, Chicago and Milwaukee $1.42, and Kansas City, Omaha, and Sioux City $1.35-1/4.

6/ Other rye tables frequently used are: Production and farm disposition, 1909 to date, in issues of March 1945, page 19, and July 1945, page 12; stocks of rye by quarters, July 1, 1943-July 1, 1945, in issues of March 1945, page 20, and July 1945, page 12; supply and distribution in Canada, average for 1932-41 and annually 1941-44, in issue of March 1945, page 20.

7/ Average price received by farmers and price of No. 2 at Minneapolis, 1933 to March 1945, in the March-April issue of The Wheat Situation. Subsequent average prices received by farmers are: April 111.0, May 112.0, June 121.0, July 122.0, August 124.0, and weighted average for the 1944-45 season 109.0. Subsequent No. 2 prices at Minneapolis are: April 133.9, May 139.2, June 155.3, July 152.8, and the weighted average for the 1944-45 season 122.2.

Table 4.- All wheat and winter wheat: Acreage, yield, and production, United States, 1919-43

Year of harvest	All wheat			Winter wheat		
	Seeded acreage	Yield per seeded acre	Production	Seeded acreage	Yield per seeded acre	Production
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
1919	77,440	12.3	952,097	51,391	14.6	748,460
1920	67,977	12.4	843,277	45,505	13.5	613,227
1921	67,681	12.1	818,964	45,479	13.3	602,793
1922	67,163	12.6	846,649	47,415	13.1	571,459
1923	64,590	11.8	759,482	45,488	12.2	555,299
1924	55.706	15.1	841.617	38,638	14.8	573,563
1925	61,738	10.8	668,700	40,922	9.8	400,619
1926	60,712	13.7	832,213	40,604	15.6	631,607
1927	65,661	13.3	875,059	44,134	12.4	548,188
1928	71,152	12.9	914,373	48,431	12.0	579,066
1929	67,177	12.3	824,183	44,145	13.3	587,057
1930	67,559	13.1	886,522	45,248	14.0	633,809
1931	66,463	14.2	941,540	45,915	18.0	825,315
1932	66,281	11.4	756,307	43,628	11.3	491,511
1933	69,009	8.0	552,215	44,802	8.4	378,283
1934	64,064	8.2	526,052	44,836	9.8	438,683
1935	69,611	9.0	628,227	47,436	9.9	469,412
1936	73,970	8.5	629,880	49,986	10.5	523,603
1937	80,814	10.8	873,914	57,845	11.9	688,574
1938	78,981	11.6	919,913	56,464	12.1	685,178
1939	62,801	11.8	741,180	46,153	12.3	565,642
1940	61,610	13.2	813,305	43,325	13.6	590,212
1941	62,332	15.1	943.127	45,671	14.7	670,709
1942	52,227	18.7	974,176	38,072	18.3	696,450
1943	55,127	15.3	841,023	37,782	14.1	531.481
1944 1/	65,684	16.4	1,078,647	46,349	16.5	764,073
1945 1/	68,808	16.7	1,146,283	49,589	16.9	836,979

1/ Preliminary.

Table 5.- Estimated supply and distribution of wheat, by classes, continental United States, average 1937-41, annual 1942-45

	Year beginning July				
	Av.1937-41	1942	1943 1/	1944 1/	1945 1/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
All wheat					
Stocks, July 1	230	632	622	317	281
Production	858	974	841	1,079	1,146
Imports	1	1	136	42	( )
Supply	1,089	1,607	1,599	1,438	1,427
Exports 2/	65	34	66	140	
Carry-over	340	622	317	281	
Domestic disappearance	684	951	1,216	1,017	
Hard red winter					
Stocks, July 1	103	293	317	113	111
Production	364	477	357	473	524
Supply	467	770	674	586	635
Exports	36	21	34	99	
Carry-over	154	317	113	111	
Domestic disappearance	277	432	527	376	
Soft red winter					
Stocks, July 1	28	55	32	19	20
Production	217	160	133	225	243
Supply	245	215	165	244	263
Exports	4	1	2	10	
Carry-over	36	32	19	20	
Domestic disappearance	205	182	144	214	
Hard red spring					
Stocks, July 1	68	208	207	150	113
Production	148	215	231	245	243
Imports	1	1	135	39	( )
Supply	217	424	573	434	356
Exports	4	2	14	24	
Carry-over	106	207	150	113	
Domestic disappearance	107	215	409	297	
Durum					
Stocks, July 1	13	35	28	15	9
Production	36	45	37	33	32
Imports	0	0	1	3	0
Supply	49	80	66	51	41
Exports	0	1	1	2	
Carry-over	20	28	15	9	
Domestic disappearance	29	51	50	40	
White					
Stocks, July 1	18	41	38	20	28
Production	93	77	83	103	104
Supply	111	118	121	123	132
Exports	21	9	15	5	
Carry-over	24	38	20	28	
Domestic disappearance	66	71	86	90	

1/Subject to revision. 2/Includes flour made from US wheat, also includes shipments.

Table 6.- Average price per bushel of wheat received by farmers by months, United States, 1922-45

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	Crop year average
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1922	99.8	92.6	89.2	94.1	99.4	103.2	104.6	104.4	106.0	108.4	108.2	100.8	96.6
1923	89.6	86.4	91.0	94.2	93.7	94.5	96.7	98.0	98.8	95.8	96.8	98.5	92.6
1924	105.8	116.8	114.2	129.7	133.6	141.1	162.0	169.8	164.0	140.5	149.1	152.7	124.7
1925	140.3	150.4	144.4	136.4	148.8	153.7	158.1	155.5	146.0	142.2	142.1	138.9	143.7
1926	127.7	125.1	117.7	121.4	123.6	122.8	122.2	122.8	120.9	117.2	123.2	130.1	121.7
1927	127.3	123.5	119.2	113.7	111.4	113.9	115.2	116.2	121.6	129.2	144.3	132.0	119.0
1928	118.1	95.2	94.4	98.7	97.1	98.2	98.5	104.2	104.7	99.8	90.1	86.8	99.8
1929	101.6	110.0	111.4	110.7	102.8	107.3	107.5	101.3	91.9	93.4	87.5	87.9	103.6
1930	70.6	74.0	70.3	65.6	60.0	61.3	59.1	58.7	58.3	59.2	59.9	51.9	67.1
1931	36.3	35.4	35.7	36.1	50.5	44.1	44.1	44.0	44.2	43.1	42.4	37.3	39.0
1932	35.6	38.5	37.4	34.6	32.8	31.6	32.9	32.3	34.5	44.8	59.0	58.7	38.2
1933	86.9	74.7	71.1	63.6	71.1	67.3	69.4	72.0	70.9	68.7	69.5	78.9	74.4
1934	78.8	89.6	92.2	88.5	88.1	90.6	89.3	87.9	85.5	90.2	87.8	77.3	84.8
1935	76.4	80.8	85.1	94.8	87.5	88.9	92.0	91.1	89.3	85.4	81.6	79.9	83.2
1936	94.1	104.8	104.3	106.8	106.4	114.5	123.6	124.9	123.2	126.6	118.3	108.9	102.5
1937	112.8	99.4	93.0	88.7	81.9	83.6	88.6	86.6	80.3	75.0	71.4	69.7	96.2
1938	60.8	50.7	52.5	52.2	52.0	53.6	57.1	56.9	56.7	57.8	63.0	62.5	1/56.2
1939	55.7	54.5	72.7	70.3	73.1	82.4	84.5	84.1	85.0	88.9	80.7	67.4	69.1
1940	61.4	60.1	62.6	68.2	72.5	71.5	73.0	67.8	71.8	76.0	79.4	83.1	68.2
1941	85.6	88.5	95.8	91.0	93.4	102.2	106.1	104.9	105.1	99.7	99.8	95.7	94.5
1942	94.6	95.4	102.8	103.5	104.4	110.3	117.5	119.5	122.7	122.3	122.8	124.0	109.8
1943	126.0	127.0	130.0	135.0	137.0	143.0	146.0	146.0	146.0	147.0	147.0	143.0	2/136.0
1944	139.0	135.0	135.0	142.0	143.0	145.0	146.0	147.0	148.0	149.0	149.0	150.0	2/141.0
1945	146.0	145.0											

Monthly prices by states weighted by production to obtain a price for U. S.; average for year obtained by weighting State price averages for the crop-marketing season. Data 1909-21 in The Wheat Situation Nov. 1941, page 12.

1/ Beginning 1938 includes unredeemed loans at average loan value.

2/ Preliminary.

Table 7.- Parity price per bushel of wheat by months, United States, 1923-45

Year beginning July	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
	Parity prices											
1922	1/	---	---	---	---	---	147.6	147.6	147.6	147.6	148.5	148.5
1923	147.6	147.6	146.7	146.7	146.7	146.7	146.7	146.7	147.6	146.7	146.7	145.9
1924	146.7	146.7	147.6	148.5	148.5	149.4	148.5	150.3	151.2	151.2	151.2	151.2
1925	150.3	149.4	148.5	148.5	148.5	148.5	148.5	149.4	149.4	149.4	149.4	149.4
1926	149.4	148.5	148.5	148.5	147.6	147.6	146.7	146.7	145.9	146.7	146.7	147.6
1927	147.6	146.7	146.7	146.7	145.9	145.9	146.7	146.7	147.6	148.5	148.5	149.4
1928	149.4	148.5	148.5	148.5	147.6	147.6	147.6	148.5	148.5	147.6	147.6	146.7
1929	146.7	147.6	147.6	146.7	146.7	145.9	145.0	145.0	144.1	143.2	143.2	142.3
1930	141.4	140.6	139.7	137.9	136.1	135.3	132.6	130.8	129.9	128.2	127.3	125.5
1931	124.6	122.9	121.1	120.2	118.5	118.5	114.0	114.0	112.3	111.4	109.6	108.7
1932	108.7	108.7	107.8	107.0	106.1	105.2	100.8	100.8	99.9	100.8	100.8	101.7
1933	105.2	108.7	112.3	112.3	112.3	112.3	109.6	111.4	112.3	112.3	113.2	113.2
1934	113.2	115.8	116.7	116.7	116.7	116.7	114.9	115.8	115.8	115.8	115.8	115.8
1935	114.9	114.0	113.2	113.2	112.3	112.3	111.4	111.4	110.5	110.5	110.5	109.6
1936	112.3	114.9	114.9	114.9	114.9	115.8	116.7	118.5	118.5	120.2	120.2	120.2
1937	119.3	118.5	116.7	115.8	114.9	114.0	114.0	114.0	113.2	113.2	113.2	112.3
1938	111.4	110.5	109.6	109.6	109.6	109.6	108.7	108.7	108.7	108.7	108.7	108.7
1939	108.7	107.8	110.5	110.5	110.5	110.5	110.5	110.5	111.4	111.4	111.4	111.4
1940	110.5	110.5	110.5	110.5	110.5	111.4	110.5	110.5	111.4	111.4	112.3	114.9
1941	115.8	118.5	121.1	122.9	124.6	125.5	127.3	129.1	130.8	131.7	132.6	132.6
1942	133.5	133.5	134.4	135.3	136.1	137.0	137.9	139.7	140.6	141.4	143.2	144.1
1943	145.0	145.0	145.0	146.0	147.0	148.0	149.0	149.0	149.0	149.0	149.0	150.0
1944	150.0	150.0	150.0	150.0	151.0	151.0	152.0	152.0	153.0	153.0	153.0	153.0
1945	153.0	153.0										

Computation of parity prices: Average price in base period (Aug. 1909 to July 1914).X monthly index of prices paid by farmers, interest and taxes. Example for July 1945 = 88.4 X 173.

1/ Monthly figures prior to 1923 are not available. Annual calendar year averages for 1910 to 1922 are respectively as follows: 85.7, 88.4, 88.4, 90.2, 89.3, 94.6, 109.6, 130.8, 153.8, 177.7, 181.2, 145.0, and 143.2.

Table 8.- Percentage of hard red, and soft red winter wheat in specified grades, average 1934-43, and annual 1944-45

(Based on inspected receipts at representative markets, July 1 to July 31)

Item	Hard Red Winter Wheat				Soft Red Winter Wheat		
	Subclass	Average 1934-43	1944	1945	Average 1934-43	1944	1945
		Percent	Percent	Percent	Percent	Percent	Percent
	Dk. Hd.	51	19	22			
	Hard	49	79	77			
	Yellow Hd.	0	2	1			
Grade							
1		31	44	45	18	29	9
2		36	33	37	41	51	55
3		20	13	12	25	14	30
4		9	7	3	7	4	3
5		3	2	1	3	1	0
Sample		1	1	2	6	1	3
Special grades							
Tough		1	3	14	15	2	16
Light Smutty					2	1	2
Smutty					1	1	1
Light Garlicky					3	4	4
Garlicky					22	23	14

Table 9.- Wheat: Weighted average cash price, specified markets and dates, 1944 and 1945

Month and date	All classes: and grades: six markets		No. 2 Hard winter: Kansas City		No. 1 Dk. N. Spring: Minneapolis		No. 2 Hard Amber Durum: Minneapolis		No. 2 Red Winter: St. Louis		Soft White Portland 1/	
	1944	1945	1944	1945	1944	1945	1944	1945	1944	1945	1944	1945
Month:	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
May	166.6	167.1	163.2	166.7	167.3	170.2	167.9	172.3	---	180.5	155.3	153.3
June	161.4	169.9	155.6	168.2	163.2	172.3	162.2	175.0	161.1	176.0	146.0	151.9
July	155.3	161.9	152.1	158.3	161.5	172.4	162.5	175.0	157.0	167.3	146.4	148.0
Week ended --												
July 7	155.5	166.9	151.8	160.4	163.4	172.4	162.6	---	157.1	166.6	144.8	147.6
" 14	156.5	161.4	152.0	158.2	164.4	172.7	162.8	175.0	157.5	166.6	146.8	147.2
" 21	155.7	160.5	152.1	156.6	162.2	172.4	162.6	---	156.9	166.3	147.7	148.2
" 28	154.0	161.9	152.5	158.8	159.0	171.9	161.4	175.0	155.3	168.3	146.7	149.2
Aug. 4	152.8	162.9	152.3	160.4	158.6	172.9	162.8	175.0	155.8	168.7	145.5	148.3
11	151.2	163.3	149.7	160.1	154.8	172.4	160.3	175.0	153.8	169.1	143.8	148.2
18	151.8	162.8	149.4	159.3	153.3	170.6	158.7	---	154.2	165.9	144.2	146.4
25	152.7	164.7	150.5	159.1	153.8	172.7	160.3	175.0	155.6	165.7	143.8	147.5
Sept. 1	153.5	163.2	151.1	159.8	153.2	169.7	162.0	---	156.8	167.0	143.8	147.2

1/ Weekly average of daily cash quotations.

Table 10.- Wheat: Average closing price of September wheat futures, specified markets and dates, 1944 and 1945

Period	Chicago		Kansas City		Minneapolis	
	1944	1945	1944	1945	1944	1945
	Cents	Cents	Cents	Cents	Cents	Cents
Month:						
May	163.1	161.1	156.2	153.6	158.7	157.2
June	158.4	164.8	151.5	157.7	154.4	162.3
July	157.0	163.7	150.1	156.0	153.2	161.7
Week ended-						
July 7	158.1	164.3	150.6	157.2	155.1	163.2
" 14	157.9	163.6	150.7	156.0	154.4	161.7
" 21	156.6	162.2	149.7	154.4	152.5	159.3
" 28	155.8	164.2	149.3	156.4	150.9	162.2
Aug. 4	155.5	165.7	149.0	157.8	150.7	163.8
11	153.8	165.0	147.8	156.8	148.7	161.2
18	154.3	164.0	148.5	156.6	148.5	158.9
25	155.0	163.9	148.9	156.6	148.9	157.9
Sept. 1	155.4	164.8	148.5	156.9	148.9	157.6

Table 11.- Wheat: Prices per bushel in four exporting countries, Friday nearest midmonth, Jan.-Aug. 1945, and weekly, July-Aug. 1945

Date (Friday)	Hard wheat			Hard and semi-hard wheat:		Soft wheat
	United States: No. 1 D.N.Sp. 15 pct. protein Buffalo c.i.f.	Canada No. 1 Manitoba St. John f.o.b. 1/	United States: No. 1 D. H. W. Galveston f.o.b. 2/	Argentina Baril f.o.b. 3/	United States No. 1 Portland f.o.b.	
	Cents	Cents	Cents	Cents	Cents	
Friday, midmonth						
Jan. 12 4/	189.2	128.1	171.5	110.5	154.5	
Feb. 16	189.2	128.8	171.5	113.9	153.0	
Mar. 16	189.2	148.4	175.5	116.4	153.0	
Apr. 13	189.2	148.8	177.0	134.2	154.0	
May 18	189.2	147.1	176.0	141.2	154.0	
June 15	192.3	147.1	171.0	145.6	152.5	
July 13	192.3	147.1	170.0	148.1	147.0	
Aug. 17	192.3	147.1	171.0	150.4	146.0	
Weekly						
July 6	192.3	147.1	168.5	148.1	146.0	
" 20	192.3	147.1	170.0	150.6	149.0	
" 27	192.3	147.1	172.0	150.6	149.0	
Aug. 3	192.3	147.1	173.5	150.6	148.5	
" 10	192.3	147.1	172.5	150.6	148.0	
" 24	192.3	147.1	172.5	150.6	147.0	
" 31	192.3	147.1	172.5	150.6	147.0	

Current average farm prices are less than quotation about as follows: 1/ Canada 31 cents, 2/ United States 28 cents, and 3/ Argentina 13 cents. 4/ Midmonth prices beginning January 1942, published in The Wheat Situation, September 1942 and subsequent issues.

Table 12.- Estimated wheat stocks in four major exporting countries, as of July 1, 1922-45

Year	United States grain 1/	Canadian grain 2/	Argentina	Australia	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushel
1922	110	52	82	29	273
1923	134	47	67	42	290
1924	137	71	79	38	325
1925	111	50	73	37	271
1926	101	64	85	27	277
1927	111	69	89	46	315
1928	115	128	107	43	393
1929	232	152	155	47	586
1930	294	153	70	57	574
1931	328	157	94	77	656
1932	391	160	73	58	682
1933	382	237	98	70	787
1934	273	224	145	101	743
1935	146	230	107	68	551
1936	141	162	74	53	430
1937	83	53	61	52	249
1938	154	38	99	62	353
1939	251	126	264	65	706
1940	280	322	102	135	839
1941	385	517	201	75	1,178
1942	632	449	238	142	1,461
1943	622	630	288	200	1,740
1944 3/	319	400	292	157	1,168
1945 3/	281	315	180	50	826

United States - Stocks on farms, in interior mills and elevators, commercial owned and stored for others in merchant mills and elevators, and Commodity Credit Corporation stocks not otherwise included.

Canada - Carry-over July 31, plus net exports and estimated retention of flour for July.

Argentina - Carry-over on December 31, plus exports and estimated domestic consumption, July 1 to December 31.

Australia - Carry-over on December 1, plus net exports and estimated domestic consumption July 1 to November 30.

1/ Includes United States wheat in Canada. Includes small quantities of new wheat prior to 1937.

2/ Includes Canadian wheat in the United States.

3/ Preliminary.

RYE: ACREAGE, YIELD, PRODUCTION, NET EXPORTS OR IMPORTS, AND PRICE, UNITED STATES, 1900-1945
ACRES (MILLIONS)
ACREAGE HARVESTED
BUSHELS
YIELD PER ACRE
BUSHELS (MILLIONS)
PRODUCTION, NET EXPORTS OR IMPORTS
Net exports
Net imports
Production
CENTS PER BUSHEL
PRICE RECEIVED BY FARMERS*
1900 1905 1910 1915 1920 1925 1930 1935 1940 1945
YEAR BEGINNING JULY
*1900-1907, DEC. 1 PRICE. DATA FOR 1945 ARE PRELIMINARY
U.S. DEPARTMENT OF AGRICULTURE
NEG. 30708 BUREAU OF AGRICULTURAL ECONOMICS

Figure 4. - Harvested rye acreage in 1945 was the third smallest since the turn of the century. Yields were quite stable until 1916, but have varied considerably since the expansion in acreage in the Plains States which began during World War I. In recent years, yields have averaged below those early in the century. In contrast to 1918-27, when exports were very large, in 9 of the past 12 years imports have been greater than exports. Since the beginning of the century there have been only 5 rye crops smaller than the one in 1945. Rye prices in 1944-45 were the highest since 1920.

Table 13.- Rye: Acreage, yield, production, net exports or imports, and price, United States, 1900-45

Year beginning July	Acreage harvested	Yield per acre	Production	Net exports 1/	Price received by farmers 2/
	1,000 acres	Bushels	1,000 bushels	1,000 bushels	Cents per bu.
1900	2,127	12.9	27,413	2,345	51.2
1901	2,409	12.8	30,773	2,712	55.7
1902	2,444	13.9	33,862	5,444	50.8
1903	2,260	12.8	28,932	751	54.5
1904	2,205	12.9	28,461	9	68.8
1905	2,297	13.6	31,173	1,387	61.1
1906	2,154	13.7	29,609	769	58.9
1907	2,073	13.6	28,247	2,443	2/73.1
1908	2,130	13.5	28,650	1,295	2/74.5
1909	2,212	13.6	30,083	212	74.6
1910	2,262	12.9	29,098	-187	73.4
1911	2,452	12.8	31,396	-103	81.0
1912	2,724	13.9	37,911	1,854	68.7
1913	3,089	13.1	40,390	2,236	62.9
1914	3,144	13.4	42,120	12,880	83.3
1915	3,417	13.7	46,752	14,684	85.0
1916	3,528	12.2	43,089	13,275	113.0
1917	5,059	11.9	60,321	16,352	176.4
1918	6,694	12.5	83,421	35,829	152.1
1919	7,168	11.0	78,659	40,454	145.9
1920	4,825	12.8	61,915	46,885	146.4
1921	4,851	12.6	61,023	29,244	84.0
1922	6,757	14.9	100,986	51,564	63.9
1923	4,936	11.3	55,961	19,900	59.3
1924	3,941	14.8	58,445	50,241	95.2
1925	3,800	11.1	42,316	12,646	79.1
1926	3,419	10.2	34,860	21,697	83.0
1927	3,458	14.8	51,076	26,345	83.5
1928	3,310	11.5	37,910	9,487	83.6
1929	3,138	11.3	35,411	2,599	85.7
1930	3,646	12.4	45,383	139	44.4
1931	3,159	10.4	32,777	908	34.1
1932	3,350	11.7	39,099	304	28.1
1933	2,405	8.6	20,573	-11,998	62.8
1934	1,921	8.5	16,285	-11,249	72.0
1935	4,066	14.0	56,938	-2,257	39.8
1936	2,694	9.0	24,239	-3,695	81.2
1937	3,825	12.8	48,862	6,578	68.6
1938	4,087	13.7	55,984	783	33.8
1939	3,822	10.1	38,562	732	43.9
1940	3,194	12.5	39,984	-1,147	3/41.9
1941	3,570	12.7	45,364	-8,735	53.9
1942	3,860	14.9	57,673	-1,475	59.8
1943	2,755	11.1	30,452	-8,215	98.1
1944 4/	2,254	11.5	25,872	-900	109.0
1945 4/	2,096	13.3	27,883		

1/ From reports of Department of Commerce of the United States. Includes flour. (-) indicates net imports. 2/ December 1 price, 1900-1907. 3/ Beginning 1940 includes unredeemed loans at average loan value. 4/ Preliminary.

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

	Page		Issue	
THE DOMESTIC WHEAT SITUATION				
Supply and distribution				
Total wheat, 1930-44	12-13	May	1945	WS-8[illegible]
Total wheat, 1909-44	12	Sept.	1944	WS-[illegible]
Durum, 1940-45	14	July	1945	WS-[illegible]
Acreage, yield, production, and farm disposition				
Acreage, yield, and production, by kinds, 1934-45	11	Mar.	1945	WS-[illegible]
Production by areas, 1900-1945	16	May	1945	WS-[illegible]
Production by classes, 1919-45	14	July	1945	WS-[illegible]
Acreage and percentage of various classes	9	Mar.	1943	WS-75
Production and farm disposition, 1909-44	12	July	1945	WS-89
Exports and imports				
Exports of wheat including flour to specified countries, 1910-39	27	Aug.	1940	WS-46
Imports into the United States, 1923-40	23	Aug.	1941	WS-58
Sales and income, and prices				
Sales, price, and cash income, U. S., 1910-44	13	Mar.	1945	WS-8[illegible]
Percentage monthly sales, average 1932-41, and annual 1933-43	11	Nov.	1944	WS-85
THE WORLD WHEAT SITUATION				
Supply and distribution				
World, 1923-40	15	Mar.	1941	WS-53
Canada, Argentina, U. S., 1929-44	12	Jan.	1945	WS-86
Production, trade, domestic use, by countries, 1934-38	11	Jan.	1945	WS-86
Acreage and production				
Acreage, yield, and production, world, excluding the U.S.S.R. and China, 1923-40	19	Mar.	1942	WS-65
Acreage, yield, and production, Canada, 1909-45	15	July	1945	WS-89
Acreage of wheat, world and specified countries, 1909-40	17	June	1941	WS-56
Production of wheat, world and specified countries, 1909-40	18	June	1941	WS-56
Stocks, July 1				
1922-40	15	Mar.	1941	WS-53
International trade				
International trade in wheat including flour, calendar years, 1937-40	20	Mar.	1942	WS-65
International trade in wheat flour, calendar years, 1938-40	21	Mar.	1942	WS-65
International trade in wheat including flour, July year, averages 1925-34, annual 1937-39	16	Feb.	1941	WS-52

1/ Selected tables used most frequently.